

CAPITAL PROJECTS FUNDS

The 2008 capital budgets were requested from the departments in May with a due date to be returned of June 29th. Amounts are assumed to be purchased during that year they have been budgeted.

Capital Outlay Fund – This fund is the primary fund used to account for new departmental capital outlays. These expenditures are funded by the tax levy and are under the direction of the department supervisor.

Equipment Replacement Fund - This fund is used to account for the rolling stock replacement program, which accumulates annual funding (from property taxes) for the replacement of vehicles and similar equipment in lieu of using borrowed monies.

Street Improvement Fund - This fund is used to account for the activities of the local road improvement program. Funding is provided by the tax levy and a every other year local road improvement grant from the State.

Capital Improvement Fund - This fund is used to account for land acquisitions, building projects and all public works projects and are usually funded with borrowed money or funding from some source other than the tax levy.

The Debt Service Fund supports the Capital Project Funds

Debt Service Fund - This fund is used to account for general obligation debt issued by the City to support the capital construction projects undertaken. Funding comes from tax levy, Special assessments collections, Impact fees and other sources.

CITY OF FRANKLIN

CAPITAL OUTLAY FUND

The projected 2010 tax levy for this fund of \$475,000 was not able to be increased from the 2009 tax levy amount. However, based upon the last several years experience that level is not a sustainable level that can meet the needs of the community for capital outlays on an ongoing basis. The departmental requests of about \$1,086,000 for 2009 were higher than in the prior year. In 2009 51% of the requests were able to be funded. The largest amounts of unfunded requests were in the Information Services, Finance, Municipal Buildings, Police, Fire, Engineering and Highway Departments. The recommended amounts reflected the Mayor's decisions after recommendations from the department heads to reduce the departmental requests to the revenue available.

Capital assets are purchases of assets that are reasonably expected to last more than 12 months and benefit multiple years. Included in this category are all new capital assets and replacement capital assets that do not meet the criteria for inclusion in the equipment replacement program. Those capital assets that exceed the capitalization policy limits will be capitalized and depreciated over the estimated useful life of the asset.

The yearly amount to be funded for Capital Outlay requests is based on the requests of the departments and it is the intention that although the items purchased will vary each year the amount of the purchases and therefore the total tax levy will be approximately the same amount from year to year. The goal in this fund is to increase the tax levy by the amount of new growth in the City.

Monies for capital outlay purchases are obtained via the property tax levy, sale proceeds of retired capital assets other than those eligible for replacement in the Equipment Revolving Fund, investment earnings on unspent monies and any unspent funds from prior years.

New equipment requests must be made as part of the Capital Outlay Fund and are not allowed in the Equipment Revolving Fund. The Equipment Revolving Fund provides funding and purchases major equipment replacement needs.

CITY OF FRANKLIN
2010 BUDGET

	2007 Actual	2008 Actual	2009 Adopted	2009 Amended	2009 Estimate	2010 Forecast B	2010 Dept/Request	2010 Proposed	2010 Adopted	Percent Change
CAPITAL OUTLAY FUND										
REVENUE										
GENERAL PROPERTY TAXES	41.0000.4011	445,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	0.0%
GRANTS	41.0000.4157	187,107	0	0	0	0	0	0	0	
INTEREST ON INVESTMENTS	41.0000.4711	19,105	20,164	10,000	10,000	10,000	10,000	10,000	10,000	
INVESTMENT GAINS/LOSSES	41.0000.4713	2,311	5,357	0	0	0	0	0	0	
PROPERTY SALES	41.0000.4751	37,750	29,132	30,000	30,000	30,000	30,000	30,000	30,000	
MISCELLANEOUS REVENUE	41.0000.4799	50,000	0	0	0	0	0	0	0	
TRANSFER FROM OTHER FUNDS	41.0000.4830	54,195	0	28,900	28,900	28,900	29,970	54,970	54,970	
TRANSFER FROM GENERAL FUND	41.0000.4834	80,000	0	0	0	0	0	0	0	
TOTAL CAPITAL OUTLAY FUND REVENUE		875,468	529,652	543,900	543,900	643,900	515,000	544,970	569,970	4.8%
EXPENDITURES										
General Government:										
Municipal Court	41-121	0	0	0	6,800	6,800	0	0	0	
City Clerk	41-141	1,008	0	0	0	0	0	0	0	
Elections	41-142	0	0	0	0	0	0	0	0	
Information Services	41-144	55,461	61,801	44,900	51,700	51,700	46,400	52,800	42,700	
Administration	41-147	1,542	3,658	3,600	3,600	3,600	3,600	3,600	3,600	
Finance	41-151	3,067	3,971	4,000	4,000	4,000	4,000	4,000	4,000	
Assessor	41-154	849	919	1,500	1,500	1,500	1,500	1,500	1,500	
Municipal Buildings	41-181	9,131	11,497	27,500	27,500	0	27,500	324,600	4,600	
Total General Government		71,058	81,847	81,500	95,100	67,600	83,000	386,500	56,400	-30.8%
Public Safety:										
Police	41-211	369,473	321,486	326,667	326,667	326,667	326,667	370,885	202,757	
Fire	41-221	208,317	42,334	81,069	81,069	81,069	43,683	128,000	68,300	
Building Inspection	41-231	2,432	2,741	2,650	2,650	2,650	2,650	21,650	4,550	
Total Public Safety		580,222	366,561	410,386	410,386	410,386	373,000	520,535	275,607	-32.8%
Public Works:										
Engineering	41-321	7,863	13,666	9,600	9,600	9,450	9,600	4,500	4,500	
Highway	41-331	44,434	43,595	41,000	104,000	101,386	42,400	65,522	74,422	
Street Lighting	41-351	0	0	0	0	0	0	0	0	
Total Public Works		52,297	57,261	50,600	113,600	110,836	52,000	60,022	78,922	56.0%
Health and Human Services:										
Public Health	41-411	0	0	0	0	0	0	0	0	
Total Health and Human Services		0	0	0	0	0	0	0	0	0.0%
Culture and Recreation:										
Parks	41-551	8,371	18,941	15,000	15,000	15,000	15,000	15,000	15,000	
Total Culture and Recreation		8,371	18,941	15,000	15,000	15,000	15,000	16,000	15,000	0.0%
Conservation and Development:										
Planning	41-621	1,105	3,589	2,200	2,200	2,200	2,000	2,200	2,200	
Total Conservation and Development		1,105	3,589	2,200	2,200	2,200	2,000	2,200	2,200	0.0%
Capital Outlay Contingency		0	0	0	0	0	0	115,000	115,000	
Total Capital Outlay Expenditures		713,053	528,200	559,686	636,286	606,022	525,000	984,257	543,129	-3.0%
Excess of revenue over expenditures		162,415	1,452	-15,786	-92,386	-62,122	-10,000	-439,287	26,841	
Fund Balance, Beginning of Period		146,325	308,740	310,192	310,192	310,192	248,070	248,070	248,070	
Fund Balance, End of Period		308,740	310,192	294,406	217,806	248,070	238,070	-191,217	274,911	

The individual items requested can be found in the departmental presentations.

CITY OF FRANKLIN

EQUIPMENT REVOLVING FUND

The Equipment Revolving Fund, established in 1996, provides resources for the replacement of rolling stock and similar equipment. Monies for purchases are obtained via the property tax levy, sale proceeds of retired rolling stock and investment earnings on monies in the revolving fund. A minimum purchase amount (\$20,000) and minimum life (seven years) are required for assets to be replaced from this fund. Expenditures for vehicle purchases fluctuate on an annual basis, depending on the need for replacement and condition of vehicles scheduled for replacement.

For 2009 the scheduled equipment revolving funding requests were due to deferrals approximately the same as the tax levy and other revenue expected to be received. The fund balance is projected to decline to the \$1.0 million dollar level over the next five years then to decline further. The expected replacements over the next six years are as follows:

2010 – \$840,686	2011 – \$349,683	2012 – \$305,473
2013 – \$282,817	2014 – \$307,565	2015 – \$302,595

A goal of the program is to keep a relatively constant annual tax levy increased by the growth realized in the City. It became necessary to decrease the 2009 tax levy in this fund by \$50,000 due to economic circumstances. The levy is projected to remain at that amount for 2010. The higher level of projected expenses will result in a draw down of fund balance. It will be necessary to restore the tax levy support to this fund to avoid a long term deterioration of this fund.

Caution and planning needs to be exercised when additional equipment is added to the fund since these additions will impact future funding needs. The fund balance at the end of 2009 is expected to be about 14% of the replacement cost of the assets in the program. The projection prior to the revenue reduction showed the fund balance declining to about 10% of replacement cost by the end of 2010. The percentage is expected to stabilize at that level during the next five years and without a revenue increase decline to the 6% level during the following five years.

The replacement cost is estimated using recent acquisition costs plus an inflation factor. Costs of vehicles replaced to date under the program have been in line with the estimated replacement cost. The yearly amount to be funded was to be based on the annual depreciation cost for the equipment in place and used by the City. That funding formula has not been achieved in recent years. However the fund is expected to be able to maintain its level during the next decade. The challenge will be to fund the replacement of the larger cost items. Should one time funds become available Council should consider making transfers to this fund to reduce the need for future increases in tax levy for this fund.

CITY OF FRANKLIN
2010 BUDGET

		2007 Actual	2008 Actual	2009 Adopted	2009 Amended	2009 Estimate	2010 Forecast B	2010 Dept/Request	2010 Proposed	2010 Adopted	Percent Change
EQUIPMENT REVOLVING FUND											
REVENUE											
GENERAL PROPERTY TAXES	42.0000.4011	315,000	327,000	277,000	277,000	277,000	277,000	334,000	277,000	277,000	0.0%
INTEREST ON INVESTMENTS	42.0000.4711	70,499	41,934	51,000	51,000	51,000	53,000	51,000	51,000	51,000	
INVESTMENT GAINS/LOSSES	42.0000.4713	8,529	11,140	0	0	0	0	0	0	0	
INTERFUND INTEREST	42.0000.4716	43,697	26,374	0	0	0	0	0	0	0	
PROPERTY SALES	42.0000.4751	3,127	39,373	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
MISCELLANEOUS REVENUE	42.0000.4799	11,824	0	0	0	0	0	0	0	0	
TOTAL EQUIPMENT REVOLVING FUND REVENUE		\$452,576	\$445,821	\$338,000	\$338,000	\$338,000	\$340,000	\$395,000	\$338,000	\$338,000	0.0%
EXPENDITURES											
CAPITAL OUTLAY											
MUNICIPAL BUILDINGS AUTO EQUIPMENT	42.181.0000.5811	0	0	0	0	0	0	0	0	0	
POLICE DEPARTMENT AUTO EQUIPMENT	42.211.0000.5811	37,656	34,576	45,000	45,000	45,000	0	0	0	0	
FIRE DEPARTMENT AUTO EQUIPMENT	42.221.0000.5811	321,282	48,662	0	109,600	110,600	157,285	196,000	145,000	145,000	
BUILDING INSPECTION AUTO EQUIPMENT	42.231.0000.5811	0	0	27,000	27,000	27,000	148,306	0	0	0	
ENGINEERING AUTO EQUIPMENT	42.321.0000.5811	0	0	0	0	0	0	0	0	0	
PUBLIC WORKS AUTO EQUIPMENT	42.331.0000.5811	334,516	452,120	263,000	502,400	502,400	535,095	318,000	365,000	365,000	
TOTAL EQUIPMENT REVOLVING FUND EXPENDITURES		693,454	535,257	335,000	684,000	685,000	840,686	514,000	510,000	510,000	52.2%
EXCESS OF REVENUE OVER EXPENDITURES		-240,879	-89,436	3,000	-346,000	-347,000	-500,686	-119,000	-172,000	-172,000	
FUND BALANCE, BEGINNING OF PERIOD		2,182,596	1,941,718	1,852,282	1,852,282	1,852,282	1,605,282	1,505,282	1,505,282	1,505,282	
FUND BALANCE, END OF PERIOD		\$1,941,718	\$1,852,282	\$1,855,282	\$1,506,282	\$1,505,282	\$1,004,596	\$1,386,282	\$1,333,282	\$1,333,282	

City of Franklin
 Equipment Revolving Fund
 Listing of Equipment Proposed to be Acquired - 2010

<u>Description</u>	<u>Amount</u>	<u>Replaces: Vehicle No.</u>	<u>Description</u>
Fire Department			
Ambulance	145,000	219	2001 Ford Ambulance
Total Fire Department	<u>145,000</u>		
Highway Department			
Single Axle Dump w/ Plow. Wing & Salt Spreader	138,000	735	1991 Ford Single axle Dump Truck w/plow & salt spreader
Tandem Axle Dump w/ Plow. Wing & Salt Spreader	148,000	737	1991 Ford Single axle Dump Truck w/plow & salt spreader
Large Area Mower	47,000	44	2000 Ransome large area mower
4X4 Pick up with Snow Plow	32,000	719	1997 Chevrolet 4X4 Pick up
Total Highway Department	<u>365,000</u>		
Total 2010 Equipment Acquisitions	<u><u>\$510,000</u></u>		

**City of Franklin
Equipment Revolving Fund
For Replacement of Rolling Stock
Next Six Years**

Dept	#	Model	Historical Cost	Current Replacement Cost	Life	Purchase Year	Replace Year	Replacement Cost @ 3% Inflation	
Highway	17	Sicard Snow Blower *	\$10,800	\$47,037	31	1979	2010	\$49,902	\$684,000
Highway	716	1985 Case International 585 Tractor/Mower	\$27,000	\$50,228	23	1987	2010	\$53,287	
Highway	719	1997 Chevrolet K2500 Pick up Truck	\$23,378	\$32,361	13	1997	2010	\$34,331	
Highway	735	1991 Ford 8000 Single Axle 5 yd dump w/plow	\$65,000	\$107,435	19	1991	2010	\$113,978	
Highway	737	1992 Ford L8000 Tandem Axle Dump w/plow *	\$48,824	\$117,593	18	1992	2010	\$124,754	
Highway	-	2000 Ransom Large Mower (Municipal Bldg)	\$35,973	\$45,570	10	2000	2010	\$48,345	
Highway	736	1992 Ford 8000 Single Axle 5 yd dump w/plow *	\$36,546	\$104,154	18	1992	2010	\$110,496	
Inspect	775	1997 Jeep Cherokee *	\$15,752	\$26,276	13	1997	2010	\$27,876	\$840,686
Inspect	774	1998 Jeep	\$19,808	\$26,620	12	1998	2010	\$28,241	
Inspect	776	1998 Jeep	\$19,808	\$26,620	12	1998	2010	\$28,241	
Inspect	772	1999 Ford Explorer	\$23,099	\$30,139	11	1999	2010	\$31,974	
Inspect	770	1999 Ford Explorer	\$23,099	\$30,139	11	1999	2010	\$31,974	
Fire	220	1999 Chevy Command Vehicle	\$28,792	\$37,567	11	1999	2010	\$39,855	
Fire	219	2001 Ford Ambulance	\$90,000	\$110,689	9	2001	2010	\$117,430	
Highway	746	1999 Ford F450 One Ton Dump	\$33,681	\$43,946	12	1999	2011	\$48,021	
Highway	738	1993 Ford 8000 Single Axle 5 yd dump w/plow	\$61,035	\$95,091	18	1993	2011	\$103,908	
Highway	739	1993 Ford 8000 Single Axle 5 yd dump w/plow	\$61,035	\$95,091	18	1993	2011	\$103,908	
Highway	05	2001 Vermeer 1800 Brush Chipper	\$25,135	\$30,913	10	2001	2011	\$33,779	\$349,684
Highway	777	2002 Ford Ranger	\$20,010	\$23,893	9	2002	2011	\$33,189	
Eng	754	2001 Chevrolet Venture	\$20,000	\$24,597	10	2001	2011	\$26,878	
Highway	22	PB Slip-in Pot Hole Patcher -used *	\$6,000	\$24,598	20	1992	2012	\$27,685	
Highway	747	2000 Ford F450 One-Ton Dump Truck	\$34,389	\$43,563	12	2000	2012	\$49,030	
Highway	709	2000 New Holland 180LS Skid Steer	\$33,743	\$42,745	12	2000	2012	\$48,109	
Inspect	773	2003 Ford Explorer	\$21,623	\$25,067	9	2003	2012	\$29,995	
Eng	753	2004 Dodge Intrepid	\$14,550	\$16,867	9	2003	2012	\$25,109	\$305,473
Fire	281	2002 Ford Ambulance - Med Unit	\$93,025	\$111,077	10	2002	2012	\$125,545	
Highway	740	1995 Ford LTS8000 Tandem Axle Dump w/plow	\$79,912	\$117,353	18	1995	2013	\$136,045	
Highway	725	2002 John Deere Skid Steer	\$25,108	\$29,980	11	2002	2013	\$34,755	
Highway	16	Trail Boss 20 Ton Equipment Trailer	\$13,550	\$18,210	15	1998	2013	\$21,110	
Fire	207	1996 Ford F350 Grass Fire Truck	\$55,000	\$78,417	17	1996	2013	\$90,907	\$282,817
Highway	741	1996 Ford LTS8000 Tandem Axle Dump w/plow	\$79,668	\$113,588	18	1996	2014	\$135,629	
Police	93	2008 4X4 Chevy Tahoe	\$37,400	\$38,522	7	2007	2014	\$45,997	\$307,565
Fire	283	2004 Ford Ambulance	\$93,710	\$105,471	10	2004	2014	\$125,938	
Highway	712	1985 Beuthling B100 1 1/2 ton roller *	n/a	\$9,407	25	1990	2015	\$11,570	
Highway	702	1985 Oshkosh heavy duty snow plow *	\$101,126	\$161,270	30	1985	2015	\$198,342	\$302,595
Highway	06	2003 Vermeer BC 1800 Brush Chipper	\$21,855	\$25,336	12	2003	2015	\$31,160	
Eng	755	2003 Chevrolet Suburban	\$28,869	\$33,467	12	2003	2015	\$39,172	
Fire	217a	1995 Wells Cargo Haz-Mat Trailer	\$12,375	\$18,173	20	1995	2015	\$22,351	

CITY OF FRANKLIN

STREET IMPROVEMENT FUND

Funding for the street improvement program comes from two sources: an every other year state grant of \$75,000 for Local Road Improvements and the property tax levy. The goal is to increase the tax levy annually by the amount of growth in the City. However due to the current economic circumstances the 2009 tax levy for this fund was decreased by \$150,000 from \$950,000 in 2008 to \$800,000 in the 2009 budget and further reduced to \$500,000 in the 2010 budget. That is less than is necessary to operate this program and to resurface the streets over a thirty year period. Some additional funding will be necessary or the level of streets to be resurfaced will need to be reduced.

This pavement resurfacing program provides the funds to complete major maintenance (resurfacing) of the City's 166 miles of local streets. The City's street maintenance is influenced by the following factors:

- The newer curb and gutter streets that were constructed in the urban subdivisions beginning in the late 1960's are now reaching the condition that require certain streets to be resurfaced. A life of 30 years for pavement is considered very good.
- Beginning in the late 1960's the City began an aggressive program of sanitary sewer installation. In 1969 only about 5 percent of the City was served by sanitary sewer and presently about 95 percent of the City is served by sanitary sewer. Reconstruction of the streets was part of the sanitary sewer installation. Now, the streets that were reconstructed as part of the sanitary sewer installation are reaching a point that reconstruction is becoming necessary.

During 2007 approximately 2.7 miles of streets were resurfaced and in 2008 4.24 miles of street were resurfaced and in 2009 X.X miles of resurfacing were planned. The formula for determination of the annual amount of funding divides the City streets into three categories: arterial streets, urban streets and rural street with each having a different cost per mile and a different useful life. The result of the formula is the 2010 funding needed in the Street Improvement Fund detailed as follows:

Arterial streets	\$553,000 x 12.5 miles =	\$6,913,000 / 20 years =	\$345,625
Urban streets	\$277,000 x 99.0 miles =	\$27,423,000 / 30 years =	\$914,100
Rural streets	\$180,000 x 54.5 miles =	\$9,810,000 / 25 years =	\$392,400

The annual funding needs under this funding formula amount to \$1,652,125. In spite of the decline in tax levy in 2009 and 2010 the Common Council will need to try to continue to increase future funding committed to this fund to continue to be able to resurface five plus miles of local roads per year.

In 2009 an additional \$587,000 in streets were resurfaced in additions to the streets initially selected for resurfacing. Then the main project for 2010 (51st Street between Drexel Ave and Puetz Road) was selected as a State stimulus project. These two factors reduced the need for 2010 projects. At the same time there was a funding need in the Capital Improvement Fund for 2010 so \$205,000 of the intended funding is being transferred in 2010 to that fund. The remaining funding is designated for the Oakwood Road from 34th street to 60th Street road improvement project. This project will either be a late 2010 or possibly an early 2011 project dependant upon when TIF District #4 will have the necessary funding to fund the water main improvements necessary to be completed prior to the road improvement being implemented.

CITY OF FRANKLIN 2010 BUDGET		2007 Actual	2008 Actual	2009 Adopted	2009 Amended	2009 Estimate	2010 Forecast B	2010 Dept/Request	2010 Proposed	2010 Adopted	Percent Change
STREET IMPROVEMENT FUND											
REVENUE											
General Property Taxes	47.0000.4011	910,000	950,000	800,000	800,000	800,000	800,000	800,000	800,000	500,000	-37.5%
Local Road Improvements Aids	47.0000.4151	79,077	82,190	0	0	0	75,000	0	0	0	
Interest on Investments	47.0000.4711	54,220	49,245	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Investment Gains/Losses	47.0000.4713	6,559	13,082	0	0	0	0	0	0	0	
Miscellaneous Revenue	47.0000.4799		15,765	0	0	0	0	0	0	0	
Transfer From Other Funds	47.0000.4830					0					
Total Revenue		\$1,049,856	\$1,110,282	\$820,000	\$820,000	\$820,000	\$895,000	\$820,000	\$820,000	\$520,000	-36.6%
EXPENDITURES											
City costs for 51st Street Drexel to Puetz						110,000		15,000	15,000	15,000	
Local Street Improvement Program	47.0000.9500.5823	721,096	896,058	1,115,000	1,682,000	1,454,000	2,329,010	2,130,000	400,000	365,000	
Urban and Rural Streets											
Unfunded portion of projection											
OTHER FINANCING USES											
TRANSFER TO CAPITAL IMPROVEMENTS	47.0000.0000.5598							0	470,000	205,000	
Total Street Improvement Fund Expenditures		721,096	896,058	1,115,000	1,682,000	1,564,000	2,329,010	2,145,000	885,000	585,000	-47.5%
Excess of revenue over expenditures		328,760	214,224	-295,000	-862,000	-744,000	-1,434,010	-1,325,000	-65,000	-65,000	
Net Assets, Beginning of Period		378,337	707,096	921,321	921,321	921,321	177,321	177,321	177,321	177,321	
Net Assets, End of Period		\$707,096	\$921,321	\$626,321	\$59,321	\$177,321	-\$1,258,689	-\$1,147,679	\$112,321	\$112,321	

**FIVE YEAR ROAD IMPROVEMENT PLAN
CITY OF FRANKLIN
MAY 2009**

YEAR	PROJECT	ROAD TYPE	PROJECT COST	STREET IMPROVEMENT		CAPITAL IMPROVEMENT		TIF #3
				OTHER	FUND	OTHER	FUND	
2009	S. 51st Street (Construction) (Puetz to N of Ryan)	A	\$ 474,000		\$ 474,000			
	S. 116th Street (Construction) (Swiss to Ryan)	R	\$ 320,000		\$ 320,000			
	Additional Roads --Proposed --	U	\$ 822,000		\$ 693,000		\$ 129,000	
	S 51st Street (Design) (Puetz to Drexel)	A	\$ 100,000		\$ 100,000			
	ANNUAL 2009 TOTAL		\$ 1,716,000	\$ -	\$ 1,587,000	\$ -	\$ 129,000	\$ -
2010	S. 51st Street (Construction) (Puetz to Drexel)	A	\$ 1,200,000		\$ 1,100,000		\$ 100,000	
	S. 51st Street (Construction) (Rawson to Greendale) Existing Street & Trail	A	\$ 300,000		\$ 220,000		\$ 80,000	
	W. Oakwood Road (Construction) Local Road	A	\$ 500,000		\$ 500,000			
	ANNUAL 2010 TOTAL		\$ 2,000,000	\$ -	\$ 1,745,000	\$ -	\$ 180,000	\$ -
2011	Marquette Avenue West	U	\$ 200,000				\$ 200,000	
	S. 76th Street (Construction) (Imperial to Drexel)	A	\$ 300,000				\$ 300,000	
	ANNUAL 2011 TOTAL		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -
	THREE YEAR TOTAL:		\$ 4,216,000		\$ 3,332,000		\$ 809,000	
2012	S.76TH Street (Construction) (Drexel to Puetz)	A	\$ 200,000				\$ 200,000	
	S. 51st Street (Design & Construct) (Rawson to 1200' south)	A	\$ 500,000		\$ 500,000			
	Local Road Improvement				\$ (75,000)			
	ANNUAL 2012 TOTAL		\$ 700,000		\$ 425,000	\$ -	\$ 200,000	\$ -

**FIVE YEAR ROAD IMPROVEMENT PLAN
CITY OF FRANKLIN
MAY 2009**

YEAR	PROJECT	ROAD TYPE	PROJECT COST	STREET IMPROVEMENT		CAPITAL IMPROVEMENT		TIF #3
				OTHER	FUND	OTHER	FUND	
2013	W. Puetz Road (S. 27th St. to 43rd St.)	A	\$ 150,000		\$ 150,000			
	W. Puetz Road (Design-ROW Acquisition) (76th St. to St. Martins)	A	\$ 350,000	\$ 280,000	\$ 70,000			
	Local Road Improvement	U/R	\$ 1,500,000		\$ 1,500,000			
	ANNUAL 2013 TOTAL		\$ 2,000,000	\$ 280,000	\$ 1,720,000	\$ -	\$ -	\$ -
	TOTAL ARTERIAL:		\$ 3,974,000	\$ 280,000	\$ 2,894,000	\$ -	\$ 700,000	
	TOTAL ALL:		\$ 6,916,000	\$ 280,000	\$ 5,477,000	\$ -	\$ 1,009,000	\$ -

FUNDING FROM

¹ Assessment of Property Owners

² Local Road Fund

³ TIF Funding

⁴ Developer Modifications

⁵ Road Impact Fee

⁶ WDOT Grant

⁷ Assessment of Property Owners

CITY OF FRANKLIN

CAPITAL IMPROVEMENT FUND 2010 BUDGET AND CAPITAL IMPROVEMENT PLAN

Maintaining a capital improvement plan (CIP) is an important financial planning tool to allow the City to structure the review and funding of capital improvement projects competing for limited resources. A CIP helps to schedule the availability of resources to meet needs when they occur. Annually the Council adopts a capital budget, which is the first year of the CIP, which details the projects to be accomplished in the coming year. Changes to project amounts or additions to the budget need to be approved by the Council, similar to other funds with adopted budgets.

As a general guideline, capital improvement expenditures are defined as those amounts expended for infrastructure with long useful lives that would require significant amounts of funds. Resurfacing the City streets is funded through the Street Improvement Fund. Rolling stock and similar equipment replacements are funded via the City's Equipment Revolving Fund. Replacement of equipment used in department operations costing less than \$20,000 and new types of equipment are funded as part of each department's Capital Outlay Fund budget.

Capital improvements revenue sources can include long-term debt, one-time revenue, grants, transfers from other funds, and interest earnings. Typically the City has used long-term debt to fund its capital expenditures. Another indirect source of funding for infrastructure improvements is special assessments. When the City makes improvements such as sewer, water, or other infrastructure, the abutting property owners are assessed their pro-rata share of the cost. The construction costs for assessment projects are paid with borrowed funds, and assessment collections then are used to apply to a portion of the debt service on the borrowed monies.

The City's CIP is refined annually to include approved and pending projects as a result of planning efforts from the Council and other boards or commissions. For the 2010 budget no funding was available. However due to a transfer from the Street Improvement Fund the following projects other than the water and sewer projects that have their own funding sources are contemplated:

Water & Sewer Projects – These projects are processed through the fund for operational control. To be included a water or sewer project must have a source of funding outside of this fund for any project processed. In this way the contract processing is centralized and the funding is determined before a water or sewer project is approved.

Severe weather alert warning sirens – The system would provide weather alert warning when severe weather was approaching the City of Franklin.

W Marquette Avenue Extension – A temporary extension of W Marquette Avenue is anticipated.

Park Development – No development of park sites are scheduled this year. City funds and Impact fees are used to cover the costs of these projects when presented.

Future capital projects are included in the capital improvement plan after a policy decision of the Council. Presently a number of potential future road projects are awaiting policy decisions. In

addition to those road projects that have not been authorized, scheduled or approved other known projects have been included.

City Hall and Fire Department Parking lot resurfacing and sidewalk repair – The asphalt in the City Hall parking lot has exceeded a reasonable service life and is need of replacing. Improvements to storm water drainage and sidewalk repair would be done at the same time. In addition the east drive of the Fire department needs resurfacing. No funding source has been determined.

Water & Sewer Building – The current water and sewer facilities have been outgrown. Master planning has been done and a plan is in place to upgrade these facilities. Plans have not been advanced due to the current economic climate but the need remains.

Future Park Improvements – The City is committed to the future improvement of its park system. The use of impact fees collected and future City funds, as available will allow the City to continue future park acquisition and development.

Salt Storage Building – A second salt storage building has been requested to provide for storage of additional salt and to function to pre-wet salt and mixing area for sand and salt prior to a snow event.

Community Recreation Center – The purchase of land for the development of a recreation center.

Fire Station 31 Improvements – The department requests to remodel and expand station one during the next five years to provide office space, meeting areas, living areas for future female fire personnel, handicap access needs and provide a backup emergency operations center.

27th Street corridor

Also currently under study is development and infrastructure costs in the 27th Street corridor. The costs and financing of those costs are currently under discussion and may have an impact on the Capital Improvement Fund in the future for those costs are not attributable to TIF District's.

Road Projects – (timing is yet to be determined)

When a road project is committed (ie contract or an agreement with another jurisdiction) it is considered appropriated and tax levy support equal to the anticipated future annual debt service needs to be included in the next City tax levy computation.

76th Street Road Improvements – Terrace Drive to Puetz Road. The City's potential share, if any, of a County project to improve 76th Street to be determined.

76th Street Road Improvements – Puetz Road to County Line Road. The City's share of a future County project to improve 76th Street .

College Avenue Road Improvements – 27th Street to 43rd Street. The City's share of a future County project to improve College Avenue.

W Puetz Road – 76th Street to St Martins Road. Rebuild this two lane rural street into a two lane urban roadway with sidewalks utilizing a STP Urban grant. (\$557,000)

W Puetz Road – 27th Street to 43rd Street. Rebuild this two lane rural street into a two lane urban roadway with sidewalks utilizing a future STP Urban grant. (\$3,262,000)

**City of Franklin
Capital Improvement Plan
2010-2014**

	Adopted 2009	Amended		Budget 2010	Forecast				Potential Future Projects	
		Budget 2009	Estimate 2009		2011	2012	2013	2014		
Revenue:										
Proceeds from borrowing-10 year	46.0000.4911	-	-	-	-	550,000	550,000	3,100,000		
Grants	46.0000.4143	-	-	-	-	-	-	-		
Landfill Siting	46.0000.4493		35,000	35,000	35,000	35,000	35,000	35,000		
Miscellaneous Revenue	46.0000.4781	-	-	48,000	-	-	-	-		
Transfer from Connection Fees - Sewer	46.0756.4833	750,000	663,000	663,000	750,000	750,000	750,000	750,000		
Transfer from Connection Fees - Water	46.0755.4833	750,000	700,000	700,000	750,000	750,000	750,000	750,000		
Transfer from Impact Fees-Development	46.0000.4839	305,000	305,000	400,000	-	1,100,000	-	-		
Transfer from Water Utility toward building	46.0000.4830	-	-	-	1,250,000	-	-	-		
Transfer from Sewer Fund toward building	46.0000.4830	-	-	-	1,250,000	-	-	-		
Transfer from Street Improvement fund				205,000						
Interest revenue	46.0000.4711	25,000	10,000	10,000	12,500	2,000	2,000	2,000	2,000	
Total Revenue		1,830,000	1,713,000	1,856,000	1,752,500	4,037,000	3,187,000	2,087,000	4,637,000	
Expenditures:										
Approved Projects:										
51st Street N of Rawson Avenue	46.331.9283.5823		18,000	18,000						
New Fire Station # 3	46.181.9567.5822		823,900	863,900						
Drexel Ave - Hwy 100 to Loomis Road			308,700	308,700						
Grants to Historical Society	46.181.9646.5822		25,000	25,000						
Special Assessments System - Land Mgt.	46.000.9993.5219		1,200	1,200						
Website Redevelopment - phase 2	46.144.9754.5219		9,500	9,500						
GIS Custom Tool Rewrite Project	46.144.9757.5219		34,700	34,700						
Lions Legend Park - Schlueter Addition	46.551.9847.5858		5,000	5,000						
Interest Expense	46.000.0000.5621									
Water Projects	46.755.0000.5830	750,000	750,000	750,000	750,000	750,000	750,000	750,000		
Sewer Projects	46.756.0000.5829	750,000	750,000	750,000	750,000	750,000	750,000	750,000		
Bond Issue Costs	46.000.0000.5601									
Total Approved Projects		1,500,000	2,726,000	2,766,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
Projects Pending Approval:										
Puetz Road -76th St to St Martins						557,000				
Puetz Road -27th St to 43rd Street							150,000	3,112,000		
27th St - College to Drexel							500,000			
South 76th St - Puetz to Imperial Dr	46.000.9249.5829								?	
College Avenue S27th St to S43rd St									1,150,000	
South 76th St - Puetz to County Line									3,500,000	
Extension W Marquette		-	-	-	50,000					
Tornado Warning Sirens		15,000	15,000	-	150,000					
Fire Station #1 Addition									1,500,000	
Water/Sewer Building Addition						2,500,000				
Salt Storage Building									150,000	
City Hall & Fire Parking lot and Sidewalk Repair									265,000	
Hillcrest Neighborhood Park		-	-	-	-				585,000	
Woodview Park		-	-	-	-				357,000	
Park Site Development		305,000	305,000	-	-					
Community Recreation Center							1,100,000			
Other	46.999.0000.5499			100,000	50,000					
Total Projects not yet Approved		320,000	320,000	100,000	250,000	2,500,000	1,657,000	650,000	3,112,000	7,507,000
Total expenditures		1,820,000	3,046,000	2,866,000	1,750,000	4,000,000	3,157,000	2,150,000	4,612,000	7,507,000
Net change in fund balance		10,000	(1,333,000)	(1,010,000)	2,500	37,000	30,000	(63,000)	25,000	
Beginning fund balance (projected)		1,039,176	1,039,176	1,039,176	29,176	31,676	68,676	98,676	35,676	
Ending fund balance		1,049,176	(293,824)	29,176	31,676	68,676	98,676	35,676	60,676	